

MICHIGAN PAY TELEPHONE ASSOCIATION

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December 3, 2004

EX PARTE OR LATE FILED

Chairman Michael Powell
Federal Communications Commission
The Portals
445 12th Street, S.W., Room 8-B201
Washington, DC 20554

EX PARTE COMMUNICATION

ORIGINAL

Re: Access to Unbundled Network Elements, WC Docket No. 03-225

Dear Chairman Powell:

As Managing Director of the *MICHIGAN PAY TELEPHONE ASSOCIATION*, I am writing to urge you, in taking action on the pending revision of the Unbundled Network Element (UNE) rules, to ensure that payphone providers continue to have competitive alternatives for their local dial tone service needs.

As you know, payphones play a critical role in meeting the needs of the public for communications on the move – especially in rural and inner city areas, emergencies and in disasters such as 9/11. During last year's rolling black out that hit most of Michigan, people were standing four deep in front of payphones, trying to make contact with their loved ones. For many citizens of Michigan, payphones are the only form of telecommunications available to them on a permanent basis. It is *their lifeline service*. That is why Congress mandated widespread availability of payphone service in the Telecommunications Act.

The single largest monthly expense incurred by Michigan payphone providers in deploying and maintaining a payphone for public use is the charge paid for local telephone service. Thus, to continue providing payphones in the face of an expanding use of personal wireless devices, our members simply must have reliable local service connections at a reasonable cost, or more clearly defined, rates set by a competitive market.

For over 21 years our members have been captive customers of the local monopoly LEC, our competitors. Since SBC has refused to provide Flex ANI to C-LEC's utilizing the UNE-platform in Michigan (ignoring state PSC orders, I may add), our service alternatives have been minimal. Without service alternatives our members have suffered. To illustrate, the SBC retail rate for local usage in Michigan is .0892 cents per call. This rate is well over 500% above direct cost. In Illinois, where UNE-platform C-LEC alternatives have been available to payphone providers, the retail rate for local usage is under .02 cents per call, or less than a fourth of the SBC Michigan retail rate. This fact alone should clearly illustrate the power of competitive alternatives. Without

Michael Powell

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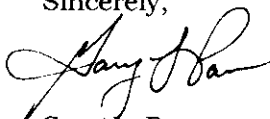
competitive local service options like those available through UNE-P, there is no market check on what payphone providers may be charged by the incumbent telephone company. Unfortunately, the Michigan market is proof of that fact!

In the last few years, our members have had to remove a large number of their payphones from service because their revenue was insufficient to meet operating costs. The brutal reality is that, without UNE-P and the lower cost service alternatives they provide, more of the payphones that the American public rely on and need will be removed from service.

As Managing Director of the MPTA I have been charged with the task of constantly searching for local service alternatives. I am a 26-year telecom professional, and after exhaustive research I can assure you there are *NO OTHER* service alternatives available to my members other than one facilities based C-LEC with a narrow footprint, and the incumbent LECs. (Alarming, the one facility based C-LEC has twice tried to push payphones off their network. This is no long-term option.) Payphones generally do not transmit data and do not need broadband connections; thus, broadband facilities do not provide a viable competitive alternative for payphones. Cable companies have no interest in providing a stand-alone dial tone service, and VOIP is not an alternative. And most importantly, any alternative service provider must deploy Flex ANI within their switch or systems. Therefore, it is very clear that all the "inter modal" alternatives the agency has recently championed are useless to payphone providers.

Therefore, on behalf of the *MICHIGAN PAY TELEPHONE ASSOCIATION* and their membership, I urge you to take steps to ensure that the FCC's revised UNE rules preserve competitive local service alternatives for payphones. Thank you for this consideration.

Sincerely,



Gary L. Pace
Managing Director

cc: Senator Debbie A. Stabenow
Senator Carl Levin
Representative Bart Stupak
Representative Peter Hoekstra
Representative Vernon Ehlers
Representative Dave Camp
Representative Dale E. Kildee
Representative Fred Upton
Representative Nick Smith
Representative Michael J. Rogers
Representative Joseph Knollenberg
Representative Candice Miller
Representative Thaddeus G. McCotter
Representative Sander M. Levin
Representative Carolyn C. Kilpatrick
Representative John Coyers, Jr.
Representative John D. Dingell